

December 13, 2012

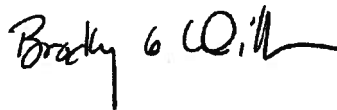
Dear Chairman Gilbert,

I am writing to urge your support and passage of House Bill 5463. The Detroit Regional Chamber's over 20,000 members and affiliates, from sole proprietors to Fortune 500 companies, provide jobs to over ¾ million working men and women in southeast Michigan, making it the largest local chamber in the United States. Developing and maintaining a vibrant downtown is a key factor to continue to keep the region and state moving forward.

This legislation, sponsored by Representative Walsh, would allow Detroit's Downtown Development Authority to continue capturing existing funds that would support a catalytic development in Detroit. A combination of significant private dollars supplemented by existing dollars currently collected would create a partnership that would support the development of an innovative district in Detroit's downtown core comprised of residential, retail and office facilities, anchored by a new state-of-the-art, multi-purpose events center.

Case studies throughout the country reveal the most successful districts include a public-private partnership that support a balance of residential, business, education, cultural, sports and entertainment activities embedded with public spaces. The mixed-use district is expected to create upwards of 8,000 jobs during the 30-month construction period. Ongoing operations of the events center alone are anticipated to generate an annual economic impact of \$210 million and support approximately 1,000 jobs. Michigan can anticipate an estimated total economic impact of \$1.8 billion from the completion of this district.

This project will enhance Detroit's existing assets and strengthen the downtown core, all while improving the image of our city, state and region. This economic development opportunity is one that we cannot afford to pass up and we urge you and your colleagues to help move southeast Michigan forward in passing House Bill 5463.

A handwritten signature in black ink that reads "Bradley G. Williams".

Bradley G. Williams
Vice President, Government Relations

cc: Members of the Michigan House of Representatives Tax Policy Committee

A large, solid black rectangular redaction box covering the bottom right portion of the page.

Construction Related Benefits for a Multipurpose Events Center and Mixed-Use Development District

Taxes Generated from Construction Activities of Multi-Purpose Events Center and Ancillary Development

- The **City of Detroit** is expected to collect approximately **\$2.7 million** in income taxes (present value) as a result of the building the Events Center District in the downtown area.
- The **State of Michigan** is expected to be able to collect **\$8.9 million** in income taxes from the construction of the Events Center District.
- The **State of Michigan** will received approximately **\$13.8 million in sales tax revenues** from construction of the **Events Center; the build out of the mixed-use district will generate approximately \$23.7 million in new taxes for Michigan.**

Job Creation from Construction of a Multi-Purpose Events Center and Mixed-Use District

- The **construction of the Events Center will generate approximately 5,500 jobs during the 30-month construction period.**
- The **construction of the Events Center and the Mixed-Use District will generate approximately 8,300 jobs during the 30-month construction period.**

Economic Effects from Construction of Multi-Purpose Events Center and Mixed-Use District

- The total economic effect of the construction of the Events Center and District will produce approximately **\$1.1 billion** in real economic development for Michigan.
- The total economic effect of the construction of solely the Events Center for Michigan will be approximately **\$700 million.**

Expected Tax, Jobs, and Economic Impacts from the Operations at a new Multi-Purpose Events Center

- Based on the surcharges and taxes currently applied to sales activity occurring at the Joe Louis Arena, the **City of Detroit** can expect to receive **approximately \$15 million in annual tax revenues** from sales at the Events Center.
- The **State of Michigan** can expect to receive **approximately \$9 million in annual sales tax** revenue from activity at the Events Center.
- The **City of Detroit** can expect to collect more than **\$500,000 in annual income taxes** based upon the operation of the Events Center.
- The **State of Michigan** should expect to collect **approximately \$1.3 million in annual income taxes** based upon operations at the Events Center.
- The ongoing operations of the Events Center are anticipated to generate an **annual economic impact of approximately \$210 million, and support approximately 1,000 jobs.**